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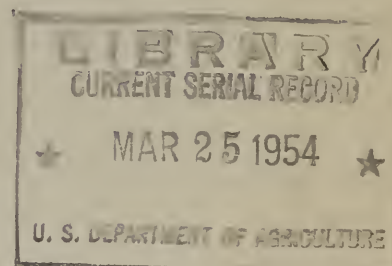
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EXCERPTS FROM ANNUAL REPORTS ON MANAGEMENT

1952



U S. Department of Agriculture

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UNITED STATES DEPARTMENT OF AGRICULTURE
Washington 25, D. C.

Excerpts from Annual Reports on Management
for Fiscal 1952

Agricultural Research Administration
Office of Administrator

1. Delegation of Authority To Approve Research Projects. During the year ending June 30, 1952, the Agricultural Research Administrator delegated to the heads of the various Bureaus authority to approve research projects. These projects, which number approximately 4,000, form the working basis for the Central Project Office records. By making this approval delegation, it has been possible to speed up the details of research planning, to increase the scope of the review of projects, and to permit the more effective servicing of research advisory committees. In accepting the authority, the various Bureaus have adopted procedures which still insure adequate coordination and keep the Office of the Administrator advised as to project changes. While full benefits of the change probably will not become apparent until it is in effect for at least a year, there are already indications of saving in time and increase in operating efficiency.
2. Expansion of Visual Material for Budgetary and Work Plan Presentations. The series of block charts mentioned in previous management reports has been expanded to show a further breakdown in appropriations available for research on various commodities and in various subject-matter fields. These charts have been found increasingly useful in the discussion of budgetary and program planning matters and have been well received by the Bureau of the Budget, Congressional Committees, research advisory committees, and other interested parties.
3. Policy and Procedure Statement on RMA Contracts. Since the passage of the Research and Marketing Act of 1946, the Department has made increasing use of research contracts as a means of implementing its program. As these contracts have increased in number and scope, various problems have arisen in their negotiation and in the terms of specific contracts. During the past fiscal year, a statement was developed setting forth the broad principles to be observed in the negotiation of contracts and the language to be used in various contract provisions, particularly those relating to such standard subjects as patents, publications, changes in specifications, terms of payment, etc. This statement has been very useful to contract negotiators and Department Administrators, and while subject to periodic revision, the framework is established for the conduct of work of this kind.

Bureau of Agricultural and Industrial Chemistry

4. Research Council. The Bureau Research Council, composed of the Chief of Bureau, Assistant Chiefs of Bureau and the Directors of the four regions continued during the fiscal year 1952, as it has in the past to give consideration to broad problems affecting the Bureau's policies, research programs, organizations and administration.
5. Executive Development. The Bureau received the benefit during the fiscal year of some of its long-range plans for executive development and training when it was able to fill three highly responsible positions in the Bureau from its pool of young executives whose potential worth was recognized years ago and who went through a series of developmental phases designed to equip them for high level positions.
6. Survey of Fiscal Operations. As a result of cooperation between members of the Bureau staff, the Department's Office of Budget and Finance, and the General Accounting Office, a complete survey was made of the Bureau's fiscal operations. This not only included accounting operations but procurement and audit practices. Members of the survey group consulted frequently with the members of the staff of the Bureau headquarters in Washington to observe operations at the headquarters office and to receive the broad concept of the Bureau management with respect to fiscal control from top officials. Survey teams also visited the regional research laboratories to gain first-hand knowledge of the Bureau's operations in the field. As a direct result of this survey and appraisal the Bureau now has a valuable set of recommendations not only covering fund accounting but covering fields related to fiscal operations. One of the major recommendations was a proposal for the decentralization of the General Ledger accounts to the field. During the latter part of the fiscal year definite plans were made to decentralize this function early in the fiscal year 1953.
7. Tabulating Equipment. In conducting a research investigation in which the single fiber stress-strain properties of wool from five distinct breeds of sheep were being evaluated, it was soon discovered that to establish significant differences the methods of statistical analysis needed to be employed. A rough calculation established that fact that obtaining the maximum amount of information available in the data would require, for multiplication and division alone, in the order of a quarter of a million entries utilizing the most suitable type of electric desk calculator. Additions would require a similar number of entries. It was therefore readily apparent that if the data were obtained in this fashion, approximately six months of one staff member's time would be required for the purpose which not only represented an undesirable expenditure of man power but also imposed a serious delay in obtaining the desired data.

Facilities for mechanical analysis were investigated and found to be available. The primary data were then sent to a computing establishment to be entered on punched cards and processed through

automatic business calculators following a well-designed pattern devised by the research project leader. In a few days and at a fraction of the cost which would have resulted from hand calculation of the data, the special computing machines performed operations which would have taken at least six months utilizing ordinary equipment. This made it possible to analyze the data thoroughly. A valuable by product of this comprehensive analysis was the finding that several of the physical tests, themselves time-consuming, have only insignificant importance. They can, therefore, safely be eliminated from future studies.

8. Warehouse Operation. A separate warehouse was put into operation about three years ago at one of the Bureau's regional research laboratories, and, although definite space assignment and usage were defined at the time, it has become increasingly apparent that a more centralized, direct management of the warehouse was needed to assure good usage of these facilities, as well as to provide for maximum utilization of Government equipment and supplies.

A three-member Warehouse Management Committee was appointed to study this problem and to formulate plans to achieve the following objectives: (1) To effect, as soon as possible, a thorough clean-up and to dispose (through the Board of Survey) of all items now in the warehouse for which clear-cut need cannot be established; (2) to improve the usefulness, general appearance, and safety of the warehouse, and (3) to maintain the warehouse in proper condition. A plan has been initiated that retains the primary responsibility for operating the warehouse in the hands of the Divisions using the facilities, and at the same time provides for inspection by the Warehouse Management Committee to see that the facilities are properly used and maintained. The record-keeping has been minimized and streamlined. A definite system for tagging as to the identity and usage of all items, bins, and spaces has been adopted. Improved space arrangement and operating procedures are being installed. As a result of these improved management procedures, more efficient utilization of our equipment and supplies will be attained, the general appearance and safety of the warehouse will be materially improved, and the disposal of surplus property will be considerably simplified and expedited.

Bureau of Animal Industry

9. Field Station Report. A new type of field station report has been instituted to provide current information regarding developments affecting programs and operation of the Animal Husbandry Division. These reports cover items of project planning and operation, policy, public relations and contact operation. This information is a valuable aid in the overall direction of the Division's programs and assists greatly in carrying out administrative management phases of the work.

10. Master Memorandum of Understanding. A Master Memorandum of Understanding has been developed which contains all necessary legal and basic requirements for any cooperative undertaking. Approval has been obtained for the use of the master memorandum which will considerably systematize negotiation of the Bureau's cooperative programs with the assurance that greater uniformity will be obtained in all activities of this nature.

11. Supervisor Training. Considerable progress has been made during the last fiscal year to improve techniques used by Meat Inspectors in Charge. A series of regional meetings was held to help them carry out their supervisory, employee relations and training activities. Such meetings have paid large dividends in that these Inspectors recognize the responsibilities placed upon them and are handling more and more local problems with packing plants on their own initiative in accordance with instructions and regulations.

12. Tabulating Equipment. The previously reported program to mechanically tabulate production reports has been extended to the reporting, tabulating and filing of labels approved for use in connection with meat and meat food products. As a result, the operating efficiency of this work has been increased tremendously and the need for approximately 45 filing cabinets has been eliminated. This has been accomplished by photographic reduction of labels to a size permitting the pictures to be specially mounted on punch cards which also contain all necessary information about each label. Over 10,000 approved labels have been handled in this manner and an index prepared of them.

13. Filing Procedures and Systems. In the Washington office, filing procedures and systems have been developed or revised so as to improve service in this connection. The subject numeric system has been applied to several phases of the Bureau's work and other phases will be included during the current fiscal year.

14. Appointment of Cooperators. The Bureau employs approximately 175 cooperatively controlled agents in connection with research programs. In the past these agents have been re-appointed each fiscal year with the usual processing, posting and filing of personnel actions. At the beginning of the current fiscal year these agents were appointed on an indefinite basis with a resulting saving in later years in the operations necessary to effect the appointments.

15. Forms. All field stations have received for the first time an index of all Bureau forms together with other forms prescribed for use in issued instructions or regulations. Those forms used only by certain types of stations are indicated so that the index may be of practical use in determining those forms available for certain purposes.

16. Curtailed Research Funds. As a result of curtailed research funds, the Bureau was faced with the prospect of eliminating work

which had been in progress for a number of years. To avoid losing altogether some of the benefits of past years' research, which would inevitably result from a breach in the continuity of investigational work, efforts were made to continue work on a partial basis with greatly reduced personnel in order to realize on previous research investments. As an example, one of the more costly projects is concerned with trichomoniasis, a parasite in cattle. Such a project is costly because the experimental cattle require maintenance for a year or longer in a single experiment. Involved are attendants to care for the animals, to make and record daily observations as well as the provision of adequate housing and feed. This project could not be continued by the Bureau and because the Utah Agricultural Experiment Station had started a very modest cooperative project in the same field, this project was strengthened and enlarged. As a result, most of the Bureau research on bovine trichomoniasis is carried on cooperatively by that State with a very minor financial contribution by the Bureau.

17. Correlation of Research. Whenever possible, work on several related projects which have a common goal has been closely correlated in order to expedite procedures and find solutions to problems as rapidly as is consistent with sound scientific procedures. For example, in connection with investigations of scouring in lambs, personnel carrying out fundamental biological research on sheep parasites are working closely with others engaged in chemotherapeutic research. Together, these two groups have accelerated progress and their combined effort is rapidly leading to an answer to the problem.

18. Personnel Development. Special conferences have been arranged during fiscal 1953 with Veterinary Meat Inspectors in Charge who are being considered for positions of greater responsibility as well as for those having particular operating problems. These conferences are designed to develop inspectors who will accept the responsibilities desired of them, to improve their efficiency and personnel relations programs.

19. Replacement Training Program. A Supervisory Replacement Training Program has been developed to meet the problem of replacing field employees who will retire in the next several years by establishing a limited number of GS-11 training positions. The plan includes the establishment of minimum qualifications standards, techniques for selection, and a program of training, with emphasis on the management aspects of the future retiree's job. Initiation of the plan has been delayed as a result of budgetary limitations but it will be instituted as soon as is fiscally possible.

20. Documentation of Research Projects. The documentation of all Bureau research projects will, when completed, provide complete and accurate documentation of all facts, observations and findings since the inception of each project. Completion will require exhaustive

research by records analysts with individual project leaders and, depending on the personnel available for this assignment, will take a considerable period to finish.

21. Real Property and Building Maintenance Program. Efforts to develop an adequate real property and building maintenance program have continued, limited by availability of personnel to conduct surveys and to complete their analysis. Necessary plans for repairs or replacements of existing facilities have been accomplished as necessary and as funds for completing construction work have been available.

22. Forms and Instructions. Forms and instructions used in Washington and the field have received constant attention to simplify, combine, or obsolete them. On the basis that man-hours saved in understanding instructions and executing forms will permit additional work to be performed, or less overtime, we are continuing our attention in this field.

Fiscal 1953

23. Training in Bureau Objectives and Programs. Approximately 1400 Bureau veterinarians in the field are focal points for advice and statements pertaining to the Bureau's over-all activities which are closely related to practically every phase of the livestock interests of the country. In addition to these veterinarians may be considered a large number of lay personnel with sincere interests in activities related to livestock in a special or in a most general way. Each of these employees is looked to by local interested groups ranging from producers to consumers for advice and assistance which frequently ask for news about Bureau activities in these fields. At the present time these employees are not well posted concerning activities of the Bureau other than those in which they are personally engaged and cannot speak advisedly about Bureau programs. Local papers, farm magazines or trade papers often do not publish material sent them, or it may be greatly colored, if published. To help eliminate this void of knowledge about Bureau objectives and programs at the field level, some means or vehicle needs to be found and used to make known to every level those facts about Bureau undertakings which local groups expect our employees to be acquainted with.

Bureau of Dairy Industry

24. Survey of Budget and Fiscal Areas. During the year a survey was made of the budget and fiscal areas of the Bureau by the Budget and Finance office of the Department. This survey included visits to several field stations. It also included the preparation of an accounting procedure manual. This survey, in turn, stimulated a work distribution survey of the administrative areas of the Bureau by the Assistant Chief for Administration. This latter survey is in its final stages. It is believed that the resulting realignment and reorganization of the Bureau's administrative functions coming as the result of these surveys will enable a more effective job to be done.

25. Mail and Records Survey. A separate study of the Mail and Records Unit in Washington resulted in the elimination of 50% of the file record subjects. This and other changes permitted the elimination of an eight-month backlog of work. The work load has decreased so that employees can now assist in other work of the Section.

26. Tabulating Equipment. The Division of Dairy Herd Improvement Investigations adopted an IBM punch card form in place of a paper form for reporting production records of individual cows. Hand sorting, counting and dating was eliminated and the time of three GS-3 clerks was thus saved.

27. Consolidation of Work Projects. Work project outlines of the Division of Nutrition and Physiology have been consolidated so that there are fewer projects on which to make reports. This was accomplished by combining the Research and Marketing Act projects related to other line projects into individual work projects. This permits the grouping of similar lines of research under one work project. It also permits more effective supervision by the various project leaders. This consolidation also simplifies the handling of project funds.

28. Temporary Folder. A separate folder for informational material has been set up in front of each main subject in the Bureau's files. The object is to have a separate place for filing material which may be disposed of after a short time. In the past it has been necessary to screen the entire file for this type of material which has proven to be a very time-consuming task. An instruction sheet showing which type of material should be considered informational was prepared in cooperation with the Office of Plant and Operations.

29. Rescheduling of Mail and Record Work. Messenger schedules have been changed to permit time for training on other mail room work for emergency assistance. A daily assignment schedule has also been prepared for the entire unit. This scheduling serves to break up the job monotony; gives each employee a chance to keep familiar with all of the work; adds to the interest of each job; and creates the feeling among the employees that they are taking a more important part in the Bureau's operations.

30. Publication Files Rearranged. Files of publications in the Information Division have been set up in the same order as the list of available publications. When an order is received, the publications checked on the list can be readily pulled from the files in sequence without going through all of the files for each separate item.

31. Directories Save Letter Writing. The Department Office of Information requires the zone number on mailing list addresses for all zoned cities. In the past, when the Department received a request for someone to be placed on a mailing list, if the zone was not shown the request was returned to the Bureau's Division of Information. It

was then necessary to write for the zone number. To avoid this, copies of Post Office directories of all zoned cities in the country were obtained which supply the missing zone numbers. It is no longer necessary to write letters and the Department Office of Information no longer finds it necessary to return mailing list notices.

Fiscal 1953

32. Administrative Issuance System. A new Bureau administrative issuance system will be studied to effect better management throughout the Bureau.

33. Field Station Reports. During the current year emphasis will be placed on field station reporting with a view to obtaining data needed in connection with the Bureau's cooperation with State agencies, the operation of the stations, and for budgetary purposes.

Bureau of Entomology and Plant Quarantine

34. Property Utilization and Disposal. Every large Bureau station and practically all smaller ones were visited during the year to insure efficient surplus property disposal and effective utilization of property retained, as well as to assist in assuring compliance with other administrative procedures.

35. Work and Line Projects. Substantial progress has been made in revising work projects and line projects covering research work of the Bureau. The revisions reflect major changes in programs and the subject matter is now organized so that results of research can be more easily summarized for various reporting purposes.

36. Information Work. As a result of a study by the Bureau Committee, editorial procedures and policies have been revised to provide for more adequate and prompt release of information developed by Bureau entomologists for use by the public. The first completed step to effect this objective was a reorganization of the Division of Information to provide for three sections: (1) A current information section, to report currently to the public about research developments and insect and plant disease control activities, (2) an editorial section, to edit and prepare the scientific reporting of Bureau scientists, and (3) a visual aid section to develop and expand this important phase of service to the public.

37. Conferences on Improvement of Procedures and Operations. A special committee comprised of one member of the Chief's staff and two Division Leaders, scheduled approximately 30 meetings during the year with top level Bureau employees, including Regional Directors. Subjects of current interest were discussed but primary attention was given to improvement of procedures and operations.

38. Reports. For the purpose of standardizing and preparing for multiple use current reports of the Bureau, a committee was established to survey its reporting needs and to submit recommendations. Instructions have been issued relating to control and regulatory

projects which reduces the number of reports required and supplements the annual report with periodic news-letters. Instructions covering report requirements for research divisions will be issued in 1953.

39. State Legislation. The Bureau has prepared and submitted through Departmental channels, for consideration by the Council of State Governments, proposed basic legislation to permit establishment of pest control districts, thus paving the way legally for increased farmer participation in insect pest and plant disease control through better organizational procedure.

Fiscal 1953

40. Evaluation of the Research Work of the Bureau. While considerable progress was made during the past year, this management study will be continued with primary emphasis on effecting additional centralization of laboratories and more effective coordination of work activities, some of which by their nature must be conducted by more than one Division.

41. Revision and Issuance of Farmers' Bulletins, Etc. Many of the Bureau's bulletins and other forms of informational release are out of date because of significant developments during recent years in the insect control field. During 1953 the objective is to revise and make current all existing Farmers' Bulletins and leaflets for public use. In addition, a five-year plan is now being formulated which has as its objective a completely new series of such publications to meet expanded demands for guidance in the use of insect control materials and methods of particular interest at this time in helping to meet production goals.

Bureau of Human Nutrition and Home Economics

42. Annual and Semi-Annual Reviews. The Bureau of Human Nutrition and Home Economics has continued its established practice of annual and semi-annual reviews and appraisals of activities and accomplishments. These are made by project leaders and Division Heads and are reported to the Bureau Chief. They are accompanied by reports of management improvements which have been put into operation, thus alerting the staff to the importance of continuous effort to make improvements in the conduct of the Bureau's program.

43. Consolidation of Work Projects. With the approval of the Department and of the Congress, work projects formerly supported by different funds were consolidated. By combining related projects, the number was reduced from 21 to 9, supervision was centralized and administration tightened. This significantly decreased the time required to prepare and type reports as well as that involved in maintaining and reporting obligations by the larger number of projects.

44. Efficient Use and Conservation of Equipment and Supplies. Those major areas of potential management improvement selected at the beginning of the year for emphasis, namely equipment maintenance and

use and conservation of supplies, were given special attention. Laboratory equipment and supplies on hand were reviewed in detail in the Divisions. Items were listed and reported which were temporarily not in use and could be lent or shared with other units. In view of the national defense situation, equipment orders were carefully scrutinized. Intra-division coordination was effected in food laboratories whereby foods prepared during experiments are transferred to other units for use in connection with food studies of a different nature.

45. Photographic Props. The establishment of an improved system of managing photographic props saves time and effort in planning pictures and assembling props. Good professional-looking pictures can now be taken on short notice; fewer retakes are necessary; and less re-touching is needed. The new system makes it possible (1) to select and pool an adequate supply of photographic props and (2) to assemble, store, and check these items in and out of a central place.

A list of basic props needed for the Bureau's photographic work was drawn up, reviewed and agreed upon by a committee representing all Divisions. All props were transferred to a central pool. A specially designed storage cabinet was installed and a card index developed which gives a detailed description of each item, a picture of it, and a record of its source. On the reverse side is space for checking the item out and in when used.

46. Time-Saving Methods in Research. Many improvements in laboratory procedures have been tested and put into effective use. For example, in connection with a study on beef for the Quartermaster Corps, labor-saving devices, some assembled in the laboratory, have reduced the time needed for the more than 10,000 analytical determinations involved. These devices include a mechanical washer which cleans 12 porous bottomed crucibles in the time required to clean 2 by previous hand methods and a battery of infra red lamps which reduces drying time to 25 percent of previous oven-drying time. The adoption of a fat extraction apparatus and method, developed elsewhere, shortens the time required for fat determinations on meat samples from 18 to 2-4 hours.

In connection with the preparation of the Outlook Chart book, an annual job of the Bureau which requires much work, several time-saving innovations were made:- Charts are now prepared in such a way that one layout can be used for both the chart book in black and white and the film strip in color. Certain principles of style, decided upon in advance in the preparation of the tables, are given to the various contributors. The resulting uniformity in the initial drafts of the tables submitted saves times in the final editing. Attention was given to more efficient planning of tables and table forms for multiple purposes in this and related projects.

47. Preparation of Research Statements and Reports. To reduce time in preparation and processing of documents involved in initiating,

conducting and reporting research projects, "BHNHE Manual on Research Project Statements, Reports and Publications" was issued, an expansion and revision of an earlier temporary edition. A 41-page manual with 11 appendix items, this loose-leaf processed publication brings together as a ready reference for Division Heads, Project Leaders, secretaries and others who participate in this work, all pertinent statements of policy, and instructions and forms pertaining to these papers. A companion to the Bureau's "Manual of Administrative Procedures," this is a second step toward simplifying the composing and typing of Bureau statements and toward reducing the need for revisions.

Bureau of Plant Industry, Soils, and
Agricultural Engineering

48. Tabulating Equipment. Modern statistical methods improve the precision and dependability of the experiments. Modifications of experimental design have been made to permit machine tabulation and analysis of data. Arrangements have been made for access to IBM machines located at cooperating state experiment stations. More extensive use is being made of the practice of concentrating the statistical analyses for a segment of the research program in the hands of employees who have had the most extensive experience, thereby minimizing the amount of detailed training required for other project personnel.

49. Scheduling of Operations. By development of an advance schedule of priority and the decentralization of interpretative work to the regional offices, the publication of soil maps and reports has been improved. The man who makes the interpretation of the map, the man who edits the map, and the cartographer all work toward the same priority schedule.

In a study of certain problems, such as castor bean harvesting, the time element is critical because the operations cover only a short season. To meet the peak or rush requirements technicians are concentrated from various assignments for an "on-the-spot" field evaluation. In other cases it has been possible to exchange plant material among investigators for specific tests made according to the special competence of the individuals concerned.

50. Accounting Procedures. As a result of the enactment of Section 1211 of the General Appropriation Act of 1951 and a Bureau policy of continuous study of fiscal procedures, a new accounting system was designed and placed in effect the early part of the fiscal year. It has:

1. Eliminated the necessity for maintaining certain subsidiary records in the groups by utilizing copies of Bureau allotment ledger sheets furnished monthly by the Bureau Accounting Office.
2. Reduced the need to prepare and distribute special financial statements to the field, particularly with

reference to Letter of Authorization accounts both at Baltsville and in the field.

51. Centralization of Bid Preparation and Revision of Central Supply Order Procedure. In February 1952 the Department delegated procurement and sales contracting authority to the Bureau. With a view to improving and expediting the handling of bid work and to insure the legal and administrative safeguards required by the delegation of contracting authority, all phases of the bid process were centralized at the Bureau level. Now, under the supervision of more experienced personnel, this change has proved notably beneficial in terms of more efficient procurement of supplies, equipment and services, and the disposition of surplus and unserviceable property by sale.

The number of Central Supply Section orders prepared annually has been reduced one-half by consolidating their preparation. A subsequent revision of procedures for posting them to books of account has resulted in simplifying preparation of the orders at point of origin and decreased the number of allotment ledger postings by approximately two-thirds.

Fiscal 1953

52.

/A study to evaluate and improve the handling of administrative issuances and other factors relating to the communication process.

53.

/Development of a comprehensive promotion program for Bureau employees.

54.

/Development of a systematic review of field station operations through inspection services.

Agricultural Research Center

55. Motor Vehicle Operation. During fiscal year 1952 a study was made of motor vehicle operation with emphasis directed to size of fleet; utilization practices; and methods of costs and income distribution.

Investigation disclosed that by more efficient scheduling of work programs the fleet could be decreased by approximately ten per cent, such decrease to be accomplished by not replacing units that are disposed of as unserviceable. It was determined that the most efficient management and utilization of a fleet of the type operated by the Center is primarily the responsibility of those who operate the fleet and steps were taken to educate personnel charged with this responsibility. Procedures for application of costs and income were revised to effect a more accurate accountability.

Commodity Exchange Authority

56. Revision of Reporting Forms. A total of 823,000 copies of various report forms was ordered for the 1953 fiscal year by the Commodity

Exchange Authority. All forms ordered were redesigned along lines suggested in the Forms Control Management Bulletin of the Bureau of the Budget.

In redesigning forms, a box design was used showing control information in the upper right hand corner, titles of forms were shortened, and fewer words used in headings. This change gives the forms a better appearance and makes them easier for the trade to fill in, and facilitates filing and subsequent reference to reports.

A permanent color schedule was adopted for all report forms to differentiate commodities. This change will facilitate the sorting of reports with less chance of error.

Most report forms were reduced in size, with no form longer than 12 inches and the majority of letter size. Reducing the forms to standard sizes enabled us to get maximum cuts out of paper in the Government Printing Office and will result in substantial savings each year.

57. Employee Morale Questionnaire. In the spring of 1952 a questionnaire designed to learn employees' reactions to their working conditions, job security, prospects for advancement, management, etc., was distributed to all employees in the agency. The replies, none of which were identified, were carefully analyzed. Generally speaking the response of the employees was highly satisfactory to the management of CEA. Responses to such questions as those relating to supervisor-employee relations, competence of supervision, effectiveness of administration, identification with the agency, etc., were remarkably favorable. On the other hand there were a number of critical reactions, those relating particularly to the failure of the agency to keep the employees informed of administrative plans and developments, work relations, and pay. These items were carefully reviewed for the benefit of field supervisors and division chiefs and suggestions made relative to improvement of them. A general letter was sent to all employees thanking them for their reactions and assuring them that steps would be taken as far as possible to correct inequities and improve administration. The general results from the application of this questionnaire to the Commodity Exchange Authority were very satisfactory.

Extension Service

58. Administrative Workshop. "Let's Take a Look at a Going Extension Organization" was the theme of the fourth Extension Service administrative workshop, which was held during the period September 12-21, 1951, on the campus of the University of California at Berkeley. The objective of the workshop was to assist top State extension administrators with problems of administration and operations. Four case studies of State extension organizations made by a representative of the Federal Extension Service served as focal points for workshop discussions and deliberations. Dr. Rowland Egger, director of the bureau

of public administration, University of Virginia, Dr. Ralph W. Tyler, dean of the division of social sciences, University of Chicago; and Dr. Joseph P. Harris, division of political science, University of California, participated in the workshop as outside consultants and advisers.

The case study method has been used for many years in the teaching of law, business administration, and public administration. The California workshop, however, was our first attempt to use this method in teaching Extension administration. A composite appraisal of the workshop by participants indicates that the case study method is very effective. Some of the advantages appear to be:

- a. It gives concreteness to problems and solutions.
- b. It stimulates interest and the thinking of the reader or listener.
- c. It gets away from a simplified set of rules. It presents the environmental situation, reveals the importance of the human factor in organization, shows the difficulty of problems as they arise, and the results that flow from decisions. The importance of timing, the winning of consent, and similar matters are brought forth in the case study.
- d. The case method guards against accepting solutions in the case study per se. The solutions in the case study serve as a springboard for further thought and consideration.

59. Methods of Program Determination in Counties. County extension programs are the basis of Cooperative Extension Work. Results in extension are dependent upon the quality of the program, and quality is influenced by the methods used in developing the program. As indicated in our last management report, the Federal Extension Service has been conducting an inventory of extension methods of program determination in all counties of the United States and Puerto Rico. This was the first effort of its kind on a Nation-wide scale. It is regarded as the initial step in a series of investigations aimed at analyzing the process of program determination in the counties for improving procedures and programs. Findings of the inventory were published in January 1952.

One immediate and tangible effect of the national inventory was to focus the attention of administrators, supervisors, specialists, and agents upon their methods of program determination and to stimulate interest in improvement. To capitalize on this interest the Federal Extension Service in March 1952 prepared and distributed to all State and county professional employees a circular designed to serve as a basic guide in program planning. Since local situations and other factors must determine the exact nature of program plans and execution, the circular placed emphasis on the philosophy and principles of planning rather than specific methods.

60. Coordination of Agricultural Information. During the year a thorough, detailed, and careful analysis and appraisal was made which covered the coordination of agricultural information from Federal and State sources for mass communication to rural people. The subject was approached primarily from the vantage point of the flow of information from the United States Department of Agriculture through the channels of the land-grant colleges. It delineated the objectives of coordinating information, the various elements involved, the sources of information, types, subject-matter content, philosophy, governmental attitudes, various conflicts concerned, and the areas in which coordination now prevails. The appraisal is being used to give the background of the present situation on information coordination as a means of aiding management in making improvements where possible. It was a part of a general fact-finding appraisal of the role of agricultural communications and current problems in relation thereto within the organizational structure of the United States Department of Agriculture and State land-grant colleges, which was carried on in cooperation with the Association of Agricultural College Editors.

61. Public Relations. The creation and maintenance of satisfactory relationships--both internal and external--is regarded as a major task of management in both public and private organizations. Confidence, favorable repute, and good will largely determine the extent to which people participate voluntarily in educational programs of the Cooperative Extension Service, seek its assistance, and follow its recommendations. These same elements of good will, reputation, and confidence vitally affect the amount of assistance which other governmental agencies, rural and urban organizations, public press, radio and television, organized groups, and outstanding individuals, including the more than 1 million extension voluntary local leaders, contribute to the advancement of the educational programs and activities sponsored by extension workers. For some time a national committee has been considering ways and means of strengthening these aspects of the Cooperative Extension Service which in their entirety add up to good public relations. In order to provide the sub-committee with objective information on the state of extension's public relations throughout the Nation, the Federal Extension Service was requested to make a comprehensive inventory of extension's public relations in each of the States. A circular presenting a summary of findings of the inventory was published by the Federal Extension Service in October 1951 and was distributed to top-level State extension administrators and supervisors. The circular contains data of interest and value in relation to management activities and responsibilities and is being used effectively in many States.

62. Radio. Experience and studies in the use of mass communications media prove that radio is an effective means of increasing the number of people reached and influenced by extension educational

programs. Administrators, however, have raised a number of questions regarding the best use of radio. The amount of money, time, and travel that can profitably be invested in radio, and most effective techniques in its use, were major questions raised. To assist administrators in finding answers to these and similar questions the Federal Extension Service cooperated in a study on the use of radio by extension workers in the North Central States. Findings of the study were published in January 1952 and distributed to key personnel in all States. Reports received thus far indicate that the findings are being analyzed extensively in management-planning activities.

63. County Program Planning. The national inventory of methods of program determination conducted last year covered more than 9,000 county programs in 3,011 counties in the 48 States and Puerto Rico. Analysis of findings of this survey in relation to other management problems indicates that "county program planning" should be selected as the major area for potential improvement during the current year. Our approach to this problem will be twofold. First, regional field agents of the Division of Field Coordination will continue a program begun last March to provide leadership and professional assistance to State extension administrators and supervisors in improving methods of county program determination. The program is based upon findings of the national inventory, and material contained in the circular published last March entitled "Extension Looks at Program Planning." The second phase of our approach will be to conduct further research along the line of needs indicated in the national inventory. One important finding of the inventory was that few attempts have been made to check on or evaluate the effectiveness of particular methods used in developing extension programs. Only five State staffs reported that attempts at evaluation had been made, and only three of these specified efforts of a formal nature. Another important finding of the inventory was that one-third of the States expressed interest in setting up pilot counties to test the effectiveness of different methods of program determination. The Division of Field Studies and Training will provide leadership and professional assistance during the current year in conducting management research in this field.

Farm Credit Administration

64. Administrative Manual Duplications Eliminated. Since publication of the United States Department of Agriculture Administrative Regulations in their present codified form was begun, the Farm Credit Administration has undertaken the elimination of material in its General Administrative Manual that duplicates the material in the Administrative Regulations, Title 8 particularly. This task has now been substantially completed with a material saving in man-years formerly required to publish such material in the General Administrative Manual as well as the time that was necessary for readers of the two sets of regulations to check back to be sure of the applicability of both or either to any particular problem.

65. Leave Record. In the 1950 Management Improvement Report (page 27) reference was made to a new system of leave record keeping which had been adopted, designed to reduce the incidence of errors and man-years required to maintain the records. Experience with this system during the past two and one-half years has demonstrated that it affords a reliable procedure for maintaining accurate leave accounts with a minimum of man-years required.

66. Motion Picture Directory. Recognizing the importance of motion pictures as an aid in increasing knowledge and understanding in the cooperative field, a descriptive list of such pictures available from all sources, including the Farm Credit Administration, was compiled in 1951 and brought up to date in 1952. Because of the wide demand for this list, especially from vocational teachers, county agents, and cooperative associations, it is believed that it has contributed greatly to increasing the use of motion pictures on cooperative subjects, thus providing a helpful tool in carrying out the provisions of the Cooperative Marketing Act directing the Farm Credit Administration to promote education in cooperative principles and operations.

67. Photographic Files. During the past years, collections of photographs on agricultural subjects had accumulated in various Farm Credit Administration offices, with the result that, when a photograph on a particular subject was requested by an outside agency or was needed for a Farm Credit Administration publication, it often was necessary to spend a great deal of time looking through stacks of pictures. In 1952, more than 2,200 photographs were brought together in one place, identified, cross-indexed, and filed, which will undoubtedly effect a considerable saving in times in the future.

68. Focal Date Method of Calculating Interest. The production credit corporations made further progress during this fiscal year in assisting production credit associations to put into effect the focal date method of calculating interest on their loans, which had been worked out by a representative of one of the production credit corporations in 1949. Through subsequent planning and experimenting there has been continued progress in developing and extending this much improved operating practice. As of June 30, 1952, 371 of the 499 production credit associations had this focal date plan in effect, and it is estimated that a substantial number of additional associations will institute this improved practice during the current fiscal year.

69. Scheduling and Follow-up of Research Projects. During the past year the Cooperative Research and Service Division has continued and expanded its program to improve efficiency in its research procedures through careful selection of projects for study, scheduling of work and follow-up on research performance. Research projects are carefully designed and completed according to scheduled plans. As a result, the Division is getting more efficient and economical use of professional and clerical staff.

70. Quarterly Report. An important management device of the Division is the quarterly report which records for each quarter work accomplished on specific projects and general activities of the Division's staff. This report also serves as a planning guide for work to be carried on in subsequent quarters. The report enables the Division to maintain a current analysis of its work program. During the past year the detail in this report has been improved to make it best serve Division needs as a record of research progress.

71. "Work Shop" Conference. Each year the Cooperative Research and Service Division holds a one-week "work shop" conference of all professional staff members as a means of reviewing past work and improving work for the year ahead. This conference is of the utmost importance in management. It helps in coordination and in the creation of high working morale. The work shop is planned by staff committees of, and gives leadership opportunities to younger staff members. Each year's work shop is developed to assist staff members on problems of greatest need. In recent years emphasis has been given to planning of research projects and research techniques. During the past year's work shop four full morning sessions were devoted to a critical appraisal of the program and work being carried on by four sections--livestock and wool, cotton, purchasing, and membership relations. This type of program ^{serves} to stress importance of balanced research and service programs and good research and administrative procedures. It also challenges other sections to improve the character of their programs in the light of specific criticism. The committee which appraises each program is made up of representatives of other sections with outside representatives from BAE or other research type agencies in the U. S. Department of Agriculture.

72. Foreign Visitors. By channeling contacts with foreign visitors under various technical assistance programs through one office we have been able to give better professional assistance while conserving manpower. During the past year we have effectively served approximately 186 foreign visitors from 30 countries with less disturbance to regular functions than in previous years.

Farmers Home Administration

73. Reappraisal of Workload Values and Standards of Performance. During the latter part of the 1950 fiscal year a project was launched for the reappraisal of workload values of the different phases of Farmers Home Administration activity. The caseload of loans handled by the Farmers Home Administration has changed considerably in character from that of its predecessor agencies and now includes some new types of loans. In addition, the present workload includes the settlement of debts by compromise, adjustment, or cancellation under authorities of Public Laws 518 and 731. The system of weighted caseloads established by the Farm Security Administration for purposes of determining the number of County Offices necessary and the

number of personnel required to staff these offices may, therefore, have become outmoded, at least as far as program coverage is concerned, and for effective evaluation of weighted caseload, a new system of values was required.

In the 1950 fiscal year determination was made to have sample County Offices keep actual time schedules on various phases of program activity in order to give an actual presentation of the time spent in making different types of loans and servicing different types of cases. To prevent overloading the field people, the measurement operations were broken into nine fields of activity with each of the nine fields being assigned to approximately ten State Offices. Within each state a minimum of four County Offices were to carry on the measurement activity. The measurement schedules were to be attached to application dockets, or borrower case files for recording the time spent on the case throughout the year, or until the case was transferred from the category being studied. Measurement of overall administration, and time spent in making reports was assigned to thirteen State Offices for use by each employee in four County Offices in each of the states.

During the 1951 fiscal year the measurement schedules for measuring time spent in loan making and servicing for all types of loans handled by the Farmers Home Administration were placed in effect. By the start of the 1952 fiscal year all of the schedules for loan making and general administration had been completed in the field and by September 30, 1951, most of those concerning loan servicing had also been submitted to the National Office. For those phases of the program, however, where loan making requires a relatively long period of time the schedules were not completed until June 30, 1952.

The success of this program in providing an accurate measurement of the time required for different types of activity has not been completely evaluated, but early results of the tabulations indicate that the program has been reasonably successful in showing the relative amount of time required for different phases of loan making and servicing activity. It is expected that the final tabulation of this material will be completed in the near future. Decisions as to its use in the field of administration and budgeting will be made after the results have been evaluated.

74. Consolidation of Application Forms and the Review of Policies and Procedures Related to the Supervision of Borrowers. The Farmers Home Administration makes various types of operating loans and real estate loans. The problem was (1) to develop one application form for use by all applicants applying for FHA assistance, and (2) provide for a uniform approach to farm and home planning, supervisory visits, record keeping and analyzing the farm and home business of borrowers regardless of the type of loan.

In order to do a better job of carrying out the objectives of the Farmers Home Administration, National policies with respect to real

estate loans and Operating loans have been more closely coordinated. One application form has been developed for use by all applicants; and FHA policies, instructions, and forms relating to long-time and annual farm and home planning and analysis of borrowers' farm and home operations have been consolidated.

These changes are based on the premise that the Farmers Home Administration can get these jobs done better if they are done in the same way for all types of loans. Certain basic principles should be followed in obtaining information concerning applicants for use by County Committees; in expeditiously processing applications; and in properly advising applicants of actions, regardless of the type of loan the applicant might need. Also, certain basic principles are involved in the supervision of all types of loans. The consolidation of policies, instructions, and forms is designed to gain uniformity of operations. They are also designed to make use of the techniques and devices which our experience has taught us are most effective in influencing the farm and home operations of borrowers. In making these changes, attention is concentrated on certain principles which are fundamental to all types of supervised loans.

The first step in this consolidation of policies and procedures was the adoption of the present long-time farm and home plan, Form FHA-14A, which is now in use. The adoption of this form and the instruction for its use coordinated the long-time farm and home planning instructions for all borrowers receiving supervision. The second step was the job of coordinating the application forms to be used. The third step was revising the 430 series of instructions, which involved developing a form which would contain both the planning and analysis functions of the supervision job.

An application form has been adopted for use by all applicants irrespective of the type of assistance they need. It has been designed to furnish information needed by County Committees in evaluating the qualifications of applicants. It will also furnish some data needed for borrower progress reports. The development of this application form permits obsoleting Form FHA-202, "Application and Certifications for Disaster Loan," and Form FHA-443, "Application for Farm Housing Assistance."

A revised Form FHA-197A, "Report on Application," has been developed for use with all applicants who receive non-supervised loans and will serve the purposes formerly served by Forms FHA-202, 443A and the former 197A, "Supplement to Application for FHA Services."

Form FHA-14 has been revised so that it will provide the basis for all supervisory activities, including annual farm and home planning supervisory visits and year-end analysis of farm and home operations.

One annual farm and home planning instruction has been written which consolidates FHA Instruction 435.1, formerly the farm and home

planning instruction for Operating loan borrowers, and FHA Instruction 438.1, formerly the farm and home planning instruction for Farm Ownership borrowers, into one instruction. FHA Instruction 433.1, "Year-end Analysis of Farm and Home Operations," has been developed to apply to all supervised loans and replaces FHA Instruction 437.1; "Year-end Servicing of Farm Ownership Borrowers."

The primary purpose of the Farmers Home Administration is to furnish supervised credit and this series of instructions and the forms chart the course for the supervision we will furnish. A one-package, coordinated series of procedures and forms for supervising Farmers Home Administration borrowers is now provided. There are other details to be accomplished. The Record Book must be conformed to the revised Farm and Home Plan. It is now being printed for distribution by September, 1953. The instruction for the use of the Record Book will also be revised.

The improvements and economies accomplished by these two projects are not readily reducible to dollar savings. The revised procedures were issued and field conferences were held for training purposes. It was the consensus of field staffs that the revised procedures will simplify County Office operations and enable National, State and County Office employees to render greater service to farm families who apply to FHA for assistance.

75. Equipment and Office Furniture Controls. Prior to the past fiscal year this Administration maintained its property accountability controls by means of a four-part card system which was inadequate in that (1) it did not provide easily accessible information for management and utilization purposes, and (2) the time consumed in maintaining the records on property located in approximately 1700 County Offices, 40 State Offices and 4 Area Finance Offices was greater than appeared to be justified. During the early part of the calendar year 1951 a study was undertaken to remedy the deficiencies which were known to exist. This study resulted in the conversion of property accountability records from a four-part card system to an electric accounting machine operation. The necessary operating procedures were developed and the initial installation of the new system was completed during the early part of the past fiscal year. Refinements have been made during the year and the operating procedures were revised during May 1952.

The new system of accountability has resulted in (1) more accurate integration of detailed equipment and office furniture records into the accounting system, (2) the establishment of procedures providing for management review of inventory adjustments, (3) the development and application of more effective utilization practices through equitable standards of allowances for equipment and office furniture by office levels, functional employment, etc., (4) the pointing up

of available excess thus permitting prompt disposal, (5) the establishment of equipment replacement standards based on complete readily available data of age, original cost, maintenance expense, etc., (6) minimum requirements on the part of field offices for reporting inventories and other property transactions, and (7) a substantial reduction in the number of man hours involved in maintaining the overall property accountability systems.

The mechanics of the system are simple and have caused little difficulty in operation, while the combinations of information that can be made available for management purposes are practically unlimited. It is estimated that the installation of the system has conserved from five to six man years of employment in State and County Offices, and approximately two man years of employment in the four Area Finance Offices.

76. Supplies Controls. An inventory control involving approximately 225 items of office supplies and approximately 900 printed forms employing the use of electric accounting machines was developed and preliminary installation made during the fiscal year 1951. Extensive review and refinement of the system was made during the fiscal year 1952 with final application being made later in the year. Prior to the installation of the system, bin cards were used as a means of inventory control, which proved inadequate in that (1) prescribed inventory levels, lead-time requirements, and purchase actions were not accurately coordinated, (2) management review of inventories were practically non-existent, and (3) data for required reports were difficult to obtain and often inaccurate.

The installation of the present system has resulted in (1) a monthly reporting by items of inventory on hand, current quantity receipts and issues for the month, cumulative quantity receipts and issues, dollar value of supplies issued during the month, dollar value of supplies on hand at end of month. These reports enable management personnel to balance inventory levels and purchase actions with related program needs, better utilization of office supplies and printed forms, and to furnish accurate data for the Critical Materials, budgetary and other required reports.

The system is being further refined at this time whereby the factors of prescribed inventory levels and lead time are made a part of the report which cause the machines to indicate automatically and mechanically correct quantities to be acquired (which amounts are subject to adjustment for seasonal or special needs, normal units of buying, etc.) and at the proper time. Substantial progress has been made on these refinements, and it is expected that they will be completed and installed in the next three to four months.

The system, in addition to the management phases referred to, has had the effect of reducing expenditures for office supplies and printed forms through better buying and utilization practices. Although the amount of such savings has not been fully computed to date, this item is being studied for future management purposes.

77. Requisitioning Practices. During the past fiscal year simple requisitioning routines have been completely installed for the benefit of State and County Offices on both office supplies and printed forms. The items of office supplies carried in the warehouses for issue are preprinted on a requisition form, and it is only necessary for the ordering office to indicate on the form the "quantity on hand" and "quantity ordered." Since items of office supplies are standardized, it is only necessary to print the requisition form infrequently.

The requisition form eliminates the need for a stock catalog since the requisition form itself has become our catalog. Printed forms are also furnished on a preprinted requisition basis, but because of the large number of individual forms used, variations between states due to differences in state laws, changes because of obsolescence, revision, etc., a rather unique manner of providing preprinted requisitions has been devised. The National Office segregates those printed forms used by individual States and prepared multilithed requisitions for each State in advance of the scheduled requisitioning date, thus keeping the requisition form current at all times and listing only those printed forms in which offices in a given State are interested. This is quite an important factor since the average County Office has need for no more than 300 of the 900 forms used nation-wide. In this fashion each office need concern itself only with those forms they use rather than mulling through all 900. The preprinted requisitions for both forms and office supplies are mailed to ordering offices a week to ten days in advance of the date on which they are required to submit requisitions for such supplies.

These preprinted requisitions are not only simple to use by ordering offices, but are designed as a part of the supplies control system outlined above. No attempt has been made to evaluate savings in time as the result of the use of preprinted requisitions; however, State and County Offices have indicated strongly that these simplified requisitioning practices have lightened their workload thus permitting more time to be spent on program operations.

78. Processing Fixed Monthly Contractual Payments. The management improvement project aimed at simplifying the processing of fixed monthly contractual payments resulted in a greatly improved method for handling these payments. This procedure is based on the use of control registers similar to those used in connection with payrolls. These registers, which are prepared from contract documents, serve as a control over the recurring payments which are prelisted and submitted for approval by the officials who acknowledge the performance of the services involved. This listing, which serves as a voucher in lieu of individual invoices and vouchers, is then processed for payment.

This procedure has eliminated the individual preparation and processing of approximately 1,000 vouchers and invoices per month, with a resulting reduction of man hours in connection therewith.

This simplified procedure was submitted to the General Accounting Office for approval and received the endorsement of that office as being consistent with its objectives for improving the accounting methods of the Government. While the approval specified Farmers Home Administration only, we have been informally advised that approval has since been requested for use by others both within and outside of the Department.

79. Tabulating Equipment for Projected Payroll Cost Report. Each biweekly pay period the Finance Division prepares a payroll cost report which reflects current payroll costs and projects those costs to the end of the current quarter as well as to the end of the fiscal year. This report enables responsible officials to control personal service allotments. As such, it is an integral part of the apportionment control system; however, its preparation required approximately 60 man hours in clerical and typing time. After some experimentation it was determined that exactly the same information could be produced on the tabulating equipment in only 6 man hours per pay period. This improvement has resulted not only in the savings stated but also in improved accuracy of the report.

80. Office Management Assistant. The following is an outline of the purpose and functions of the position of Office Management Assistant in Farmers Home Administration. This is not a new position but is a review and control function that was not included in this Administration's Management Improvement Plan dated March 21, 1950. The position of Office Management Assistant is a part of the control function of the State Office. The value of the position lies in the fact that effective control is based on two actions: (1) training to insure the knowledge necessary for acceptable performance and (2) administrative instruction when needed to obtain the desired results.

The function of the Office Management Assistant is to train the County Office personnel in certain Farmers Home Administration procedures, and proven effective routines of office operation.

This training, to be practical, must be based on the peculiar needs of the individual office. Therefore, the Office Management Assistants make a thorough spot-check analysis of the work performed in each office, and direct their training activities to established needs.

When the inspection develops differences between the intent and the application of policy and procedure and the necessary corrective action does not lie in training by the Office Management Assistants, the reports of their findings serve as a basis for the State Director to assign other staff members to the problem or take appropriate administrative action.

Federal Crop Insurance Corporation

81. Administrative Issuances. During the past year the Administrative Division of the headquarters office has issued to all field offices a consolidated administrative manual. Heretofore the various personnel and administrative procedures were contained in a series of separate memoranda and bulletins, including the standard procedures issued by the Department of Agriculture itself. These have now been combined into one indexed manual so that all of the Corporation's state offices are now able to readily obtain necessary reference information about all phases of the administrative procedures with the result that this phase of the work is being much more efficiently and competently administered.

82. Disposition of Records. Any insurance business involves the maintenance of a vast amount of records. The physical requirements of space and files continually presents a problem particularly in an expanding business. During the past year a complete analysis was made of record files maintained by the Branch Office in particular. As a result of this study it was determined to be feasible to utilize the central depository maintained by the General Services Administration for a considerable large volume of cases. This has resulted in the release from the Branch Office of approximately 4,000 square feet of file space and also has resulted in freeing a considerable number of steel cabinets which now can be used for new business.

83. Tabulating Equipment. Since the insurance business involves a vast amount of paper handling and individual computations on various forms a continuing study is maintained to determine the feasibility of transferring manual accounting operations to IBM machine accounting. During the past year this study has resulted in transferring a considerable amount of manual operations formerly performed in state offices to machine operations in the Chicago Branch Office, resulting in greater efficiency and economy as well as freeing considerable time on the part of state office clerical personnel for other needed jobs. One such transfer of work to the Branch Office on IBM machines resulted in a savings of approximately 4,000 manhours in addition to leveling off peak workloads in the state office.

84. Internal Audit. The Corporation for some time has maintained at headquarters a small Internal Audit staff whose responsibility it is to periodically audit all phases of the Corporation's activities and at all levels of operation -- Washington, Branch Office, State and County. The results of these audits are carefully documented and reports furnished to all key personnel so that each responsible person can take such corrective actions as the audit may indicate is necessary. In addition, however, to the strict audit functions this Internal Audit staff has come to be used by the Management more and more as an aid and tool of management in order to increase the efficiency of operations at various levels. In other words, in addition to just performing an audit of a county or a state office, the

auditor, having been carefully selected with several qualifications in mind, uses the time of the audit to assist the county and state personnel in better understanding of their duties and of the various procedures which they are required to follow. In this manner the audit staff not only performs the normal functions of auditors but many times assists as trainers and teachers of office help.

85. Pay Checks. An important factor in maintaining employee morale is the issuance of timely pay checks. This is particularly important in field offices farthest away from the issuing office of the Treasury Department. Within the last year the Corporation has divided its field payrolls into three regions. Under this system the Treasury Department is able to mail out the checks on staggered dates, thereby permitting all employees throughout the country to receive their pay checks on the regularly prescribed pay day.

86. Follow-Up Interviews with New Employees. The past year has seen the introduction of a system of follow-up interviews with new employees. These interviews are conducted within 90 days after an employee has entered on duty with the Corporation. This is for the purpose of answering any questions which they may have regarding leave benefits, pay, hospitalization, credit union participation and any other item with which they should be familiar. It is also for the purpose of clearing up any questions they may have regarding work assignments and the duties of their positions.

Forest Service

87. Research Management. Major emphasis during the past year was placed on studying and revising the control phases of the Research Program. Inspection standards and practices were given careful review, which resulted in establishment of procedures for a General Program Inspection by the Washington Office. First results have proven to be a valuable aid to management in review of program operations.

88. Decentralization of Accounting. Procedures were developed whereby, effective July 1, 1952, the consolidated General Ledgers maintained at the Bureau level will be discontinued and decentralized to the Regional Offices. A consolidation of Regional monthly reports will serve the financial needs of the Washington Office. This change is estimated to result in a reduction of 2 to 3 man-years of bookkeeping work at the latter office. Because of the streamlining of accounting and related procedures made possible under the General Accounting Office comprehensive audit program (also to become effective on July 1, 1952), the decentralization of the General Ledgers should not result in increasing the bookkeeping workload at the Regional level.

89. Budgeting and Accounting Procedures for Equipment. During the past year a comprehensive study was made by a field committee of the

budgeting and accounting procedures connected with equipment operation, replacement, and repair. As a result, simplified procedures were installed July 1, 1952. Still under study in this connection is the possibility of obtaining authority for a Working Capital Fund for handling this type of operation.

90. Cooperative Financing of Research Projects. At the request of Congress, the Branch of Research instituted and completed a study of cooperative financing of research projects, which resulted in a program and necessary legislative action to expand or further this type of operation.

91. Allocation of Funds to States. The Division of Cooperative Forest Protection added a new feature to the CM-2 formula which results in more equitable distribution of funds among states. There will be less concentration of increases in available funds among those states which spend the most money.

Fiscal 1953

92. Space Management. The general field of space management for both personnel and other uses appears to be an area in the Forest Service which warrants study. The object will be development of general guides or standards for all levels for procuring, utilizing, and financing equitable space requirements.

Production and Marketing Administration

93. Delays in Handling Program Dockets, Bulletins, and Procedures. The PMA Management Committee is now considering at the Administrator's request the causes of delays in preparation, clearance, and duplication of program dockets, bulletins, and procedures. Each PMA organizational unit concerned was contacted to determine difficulties they have encountered and to obtain their suggestions for eliminating delays. This information was carefully considered by the Management Committee and a comprehensive plan for eliminating excessive delays was formulated. The plan involves the preparation of annual work calendars by each office concerned. The calendars will be reviewed and approved by one of the Assistant Administrators for the purpose of leveling peak work periods and assuring the timeliness of program procedures. The plan also provides for scheduling each separate major phase of work for each program with a time limit placed on each clearance point. We feel this will provide a more orderly flow of program documents through the discussion, drafting, clearance, duplication, and mailing stages.

94. Records Disposal. A comprehensive program for the retention, transfer, and disposition of CCC records has been approved by the Secretary of Agriculture and Congress. During the 1953 fiscal year administrative instructions will be issued and records officers will

begin assisting field offices, lending agencies, and Washington offices with the vast disposal job. With this program we now have an active records management program for all PMA offices.

95. Decentralization of Commodity Loan Programs. A major change in the operations of PMA was effected by decentralized handling of CCC loans on the 1952 and subsequent crops. These operations were formerly administered by 8 PMA Commodity Offices, but the time consumed in long distance transmission of loan documents made it difficult for the producer to sell his commodity at an advantage on a fluctuating market. The delay in acquiring loan documents from lending agencies discouraged farmers from redeeming loans when market prices were above loan levels. As a result, in some years CCC was forced at maturity of the loans to take over large quantities of commodities which might otherwise have gone into commercial channels and relieved CCC of taking title to and marketing the commodity. Under the decentralized procedure the county PMA committees were given additional responsibility for administering the CCC loan programs. For the most part the loan documents are maintained either in the county office or in local lending institutions where they are immediately available. In addition to localizing the position of the loan documents, the county PMA committees were given the responsibility for processing warehouse and farm storage loans, making country warehouse inspections, handling loan redemptions, and other related local activities.

The decentralized loan program is expected to result in a definite improvement in program operations and in elimination of duplication of paper work. Foremost, however, is the better service provided to farmers.

96. Establishment of Area Directors. An improved system for coordination of PMA State and Insular Offices became operative. The changes comprised establishment of 6 Area Directors each of whom is assigned a certain geographical area. The Area Directors are directly responsible to the Assistant Administrator for Production for the proper administration of State and Insular programs. They form the major coordinating link between the State Offices and branch and staff offices of PMA in Washington. As a result of the closer personal contact with State, county, and Insular Offices, a marked improvement in the efficiency of those offices has been reflected during the year. They are more currently informed of policy changes and their questions are answered with a minimum of delay.

97. Improvements in Fund Control and Work Measurement. In order to improve the administrative control of funds, the following system has been made effective:

The financial requirements of each organizational unit are determined on the basis of analyses of the anticipated necessary workload in each activity financed by a separate appropriation or fund. Allot-

ments indicate the specific amount of each fund made available and the quarterly limitations on the use of each fund. The allotments from which personal services and other expenses are paid for Washington branches and offices, and certain field offices with two or more activities, are made from the CCC Administrative Expense Disbursement Account with amounts specified for each fund by quarter. These allotments are, in effect, direct allotments, the CCC administrative Expense Account being used as a disbursement account only. Each field office carrying out a single activity receives a direct allotment from the applicable appropriation.

Personal services costs are recorded by fund on the basis of documented time records or workload data. Obligations for other objects are established directly from the obligating documents, where the program can be identified or on the basis of personal services cost or some other equitable basis in cases where obligations cannot be directly identified. The system of cost distribution and obligation recording used by each organizational unit is reviewed and approved by the Fiscal Branch and performance is audited by the Office of Audit. The Office of Budget is responsible for analyzing obligations to ascertain compliance with prescribed limitations.

Obligations are adjusted to expenditures on the basis of a copy of the allotment ledger expenditure listing furnished by the Fiscal offices to each allottee at the end of each month. The allottees report, monthly, cumulative obligations by object and by fund. The Fiscal Branch prepares a summary by fund of the monthly obligation reports for allotments made from the CCC Administrative Expense Accounts to support a voucher to reimburse the CCC Administrative Expense Account for charges not applicable to CCC activities. Obligations under direct allotments and CCC obligations are added to this summary for preparation of reports required by Budget-Treasury Regulations.

Last year's management report described the development and installation of monthly Work Status Reports for Commodity Offices which show the work accomplished each month and the status of work at the end of the month in terms of number of documents and the time required to handle them. These reports were further refined during 1952 and used as a basis for determining allotments to PMA Commodity Offices for the fiscal year 1953. The work of determining financial requirements was made less time-consuming and represents a more accurate conversion from program volume to staffing requirements than has been possible in the past. The reports permit an evaluation of manpower needs and indicate when adjustments are required to secure maximum effective utilization.

98. Tabulating Equipment for Property Records. We are converting our present inventory controls on administrative property from the four-copy Form AD-106 card system to a machine tabulation system.

Under the Form AD-106 card system four copies of the card were prepared, one copy being furnished to the branch or office responsible for custody of the property, and three copies filed in the master control files. The margin for error was multiplied each time action was taken on the transfer or disposition of property inasmuch as four copies of the record were pulled from the files, corrected, and refiled. Considerable time was required in the taking and reconciling of required physical inventories. Branches and offices physically inventoried each piece of property on hand, listed the property on a work sheet, checked the worksheet against their property record cards, and prepared an alphabetical listing of property on hand. Our Office of Administrative Services was required to check the inventories item for item against the master control files.

Under the machine tabulation system one card is prepared for each piece of property and retained in the Machine Tabulation Section. Necessary changes are made on only one card instead of four. Branches and offices are no longer required to type the annual inventory nor will they maintain a set of property record cards. An alphabetical listing of property charged to each branch and office is submitted annually to such offices by the Office of Administrative Services. Property on hand is checked against the list, discrepancies noted, and the listings returned. Corrections of the master card file are made on the basis of omissions or additions indicated by the branches and offices.

99. Work Measurement. The New York PMA Commodity Office designed and installed a system whereby IBM equipment is used in the accumulation of data and preparation of management reports. Installing the system necessitated: (1) the development of a "Man-hour Work Measurement Employee Record" and "Man-day Work Measurement Summary Record," (2) the development of IBM codes to represent activities, individual employees, organizational units, etc., and (3) the development of a tabulating procedure for mechanically reporting such workload information in preparing monthly Work Status Reports and Man-Months and Obligations Reports. The measurement data collected is related to workload and manpower expended thereby assisting supervisory and management personnel of the Commodity Office in better utilization of manpower and in coping with operational and management needs.

During the past year the system has been installed by other Commodity Offices and enables them to analyze workload problems more easily, to recognize accumulating backlogs before they become troublesome, to detail personnel between units when necessary, and to operate programs more efficiently. The system provides a basic framework which makes it possible to relate the status of all programs at any time with the size of staff necessary for accomplishment.

100. Supervisory Training Program. A supervisory training course was developed by PMA's New York Office of Personnel Management in

collaboration with the Industrial and Labor Relations School of Cornell University. Approximately 35 supervisors from Grade 9 through 12 took the courses the majority of whom were employed by the New York PMA Commodity Office. The course covered such subjects as office management supervisor and employee relations, work measurement and production planning, morale problems, etc. The first phase was conducted by Dr. John Slocum of Cornell University and the second phase by Mr. Herman Limberg, Training Officer of the Bureau of the Budget's New York City office. Each graduate received a certificate from Cornell University. We feel that the supervisors attending these courses were taught many valuable management skills and techniques which will enable them to better perform their present duties and prepare themselves for advancement.

Rural Electrification Administration

101. Reorganization. The most outstanding aspect of management improvement activities during the past fiscal year was the extensive reorganization of REA to meet better the needs and changing requirements of the electric and telephone programs and to provide a better integrated and more efficient basis for carrying on REA relations with borrowers. The reorganization encompassed several basic changes in organization structure and in methods of operation, both internally and in relation to borrowers, which it is believed will permit a much more effective and responsive administration of its programs and which give greater recognition to the growing maturity of electric distribution borrowers and take full advantage of the experience and stability they have acquired over the years. The changes that have been made reflect the changing character of the rural electrification program and the growing requirements of the telephone program.

Some of the more important changes - in organization, in methods of operation, and in emphasis - are summarized below.

Five Electric Distribution Area Offices have been set up to provide a single point of contact with REA for distribution-type borrowers. These Area Offices, headquartered in Washington, direct and integrate all REA activities concerned with electric distribution and locker plant borrowers in their respective areas, and have complete responsibility for the conduct of the program and for all relationships with distribution borrowers in that area. A single point of contact through a general field representative, described below, replaces the multiple contact that borrowers previously had with REA through field representatives of several line divisions.

An important feature of the reorganization is the establishment of the new position of general field representative. Several of these representatives are on the staff of each area office and are headquartered in the field. These men represent REA on all phases of its electric distribution programs and are the main contact between REA and the borrowers, coordinating all REA activities with respect to such borrowers.

In addition to changing and consolidating the direct contact REA has with its borrowers, the reorganization coordinates REA specialist services in a new alignment of staff divisions, including three new ones: A Controller's Division, an Engineering Division, and an Operations Division. Four of the former staff divisions, Administrative Services, Information Services, Personnel, and Technical Standards remain essentially unchanged.

Under the new organization, staff divisions are responsible for providing staff services to the Administrator and to the line organizations on matters pertaining to the electric and the telephone programs. These staff services include: formulating REA policy, plans and programs; developing standards, methods and procedures for their effective implementation; appraising the adequacy of existing policy and procedures; and furnishing specialized advice and assistance to the agency and to borrowers as requested.

This "staff vs. line" concept answers a real need in the organization, particularly under the new approach, for "staff" units having primary responsibility for developing new and better kinds of techniques and for devising the best means and the best ways of assisting borrowers. Under such a pattern the staff divisions can do their work without being handicapped or hindered by the daily responsibilities of administration, and can give more thoughtful attention to policy and planning.

It is a principle of good government that government helps people help themselves, and it has been REA's policy that, "As the borrowers gain in experience and maturity, thus becoming better able to meet their obligations to the Government and to rural people, the advice and assistance rendered by REA shall progressively diminish." Since many REA borrowers have reached a more advanced state of development, the reorganization has provided for placing increased reliance on the experience and knowledge developed by these borrowers. Many of the requirements have been changed and many activities formerly performed by REA have been transferred to the borrowers.

Another outcome of the reorganization plan is the opportunity now afforded for special attention to the "exception" problems of administration, to policy and program determination and review, to the appraisal of operating methods and their results, and to the whole area of "control" over program and administration.

102. Classification System for REA Policies and Procedures. A new subject-matter classification system has been developed for classifying REA policies, procedures, and related materials issued for the administration and execution of the Agency's programs. Under the new system all such issuances are classified in accordance with a uniform subject matter arrangement and have a common format insofar as practicable. The new system provides for three

series: REA Policy Statements which set forth administrative and program policy; REA Bulletins which provide borrowers with procedural material covering relations with REA and other information related to their operations; and REA Staff Instructions which include all internal administrative and program procedure for members of the staff. A number of issuances by former divisions have been replaced with these three standard Agency series. The new system is well adapted to the new organization and its new methods of operation. It represents a decided improvement in terms of effective overall administration and control of Agency policy and procedure. Moreover, it puts agency issuances in a more accessible and usable form both to the REA staff and borrowers.

103. CPA Audit Program. In accordance with established REA policy that borrowers should assume responsibility for the conduct of their affairs as rapidly as practicable, REA instituted in 1947 a program whereby borrowers that had attained certain financial and managerial standards were requested to engage certified public accountants to make the annual operating audits of the borrowers' accounts.

The number of borrowers included in this program was increased from year to year reaching approximately 260 in the fiscal year 1952. During that fiscal year, a comprehensive review was made of the CPA audit program with the result that a new basis was established for appraising the financial and managerial status of borrowers. On the basis of these new standards the CPA audit program for 1953 has been greatly expanded with the result that approximately 630 borrowers will be requested to engage certified public accountants to make operations audits. Not only will this expanded program result in a substantial saving in man-years to the Government, but it is felt that the program will give the borrowers a greater sense of responsibility for the conduct of their affairs.

As a part of the comprehensive review of the CPA program it was apparent that both borrowers and certified public accountants required considerable information concerning the program in order that the maximum benefits of a CPA audit would accrue to the borrowers. A booklet was prepared outlining a suggested procedure for borrowers to follow in the selection of a CPA as well as the type of audit that was required by REA. For the benefit of the CPA's the booklet outlined the REA minimum requirements including a sample audit report.

104. Use of Tabulating Equipment and Simplification of Procedures in REA Accounting. Two significant achievements with the full cooperation and assistance of the General Accounting Office and the USDA Office of Budget and Finance during the past year which have substantially simplified and improved REA loan accounting procedure were:

- (a) A new chart of accounts has been tentatively developed which combines under one system all accounting for both lending and

administrative operations. The accrual basis of accounting was also adopted.

As a result, better control over the financial transactions of the Agency is being achieved and accurate financial data relating to both lending and administrative activities can be expeditiously obtained with a minimum of time and materials.

- (b) Borrowers' records have been converted from a combined manual and bookkeeping machine method to punch card tabulating equipment. There are about 10,000 borrowers accounts and by June 30, 1952, all telephone loan accounts and about 94% of the accounts in connection with the electrification construction loan accounts had been converted. This new method has considerably simplified the handling of loan accounts and significantly reduced the number of statements to borrowers. Computations and calculations which were time consuming or impractical under the old method have been made possible by standardizing the methods of computing interest and adapting accounting methods to machine use.

The new method of consolidated billing has combined into three simple quarterly statements for each borrower, regardless of the number of notes that borrower has, information regarding billing and status of its indebtedness. These replace the sending of separate bills for each individual mortgage note.

While sufficient time has not elapsed to fully evaluate savings in operating costs as a result of the conversion to machine operation, it is apparent that savings are being realized from the fact that the number of statements sent to borrowers has been reduced from approximately 60,000 annually to about 12,000 by the use of this new method. Moreover, the new forms are simpler, easier to use and show more useful information to the borrowers in accounting for their indebtedness to REA.

105. Training Supervisors for Better Management. As in other government organizations and private businesses, many employees who have advanced to positions of responsibility have not had formal training in good supervisory and management practices. To help supervisory employees develop and keep abreast of recent developments in the field of administration and supervision, a seminar-type training course was conducted during the past year for a "pilot" group of REA supervisors. This program covered the broad aspects of administration, practical management techniques, and the human relations aspects of supervision. The results of this training course have been very satisfactory, and it is planned to hold similar courses during the coming year as a regular part of the Agency overall training program. Some of the benefits have been the establishment of a basis for further development of participants' management abilities, the possibilities of increased production and better utilization of manpower as a result of improved supervision, and the building of a source of future administrative personnel.

Fiscal 1953

106. Internal Audit. The Administrator and other top management officials need to have current information concerning the compliance with and effectiveness of plans, policies and procedures of the REA program. A large portion of the REA activities is performed in the field and the effectiveness of program functions can best be observed there. To provide for a systematic review of various aspects of the Agency's operations in the field, the internal audit function is being integrated with the audit of borrowers records. It is planned that this review will be made in conjunction with the audits of borrowers records and will be independent of the administrative officials responsible for the direct execution of the program operations. This extension of the internal audit program to a review of operations in the field is expected to provide management with another means of ascertaining the degree of adherence to the Agency's plans, policies and procedures and a basis for appraisal of the Administration's relationship with borrowers. It is anticipated that this activity, as one of the tools of management, will also provide another basis for establishing or revising program policies and procedures where needed.

107. Training Program for General Field Representatives. One of the principal aspects of the reorganization plan was the establishment of General Field Representatives who serve as the key field representatives of the Area Directors. This position, therefore, is a critical one in our field organization and the problems of securing adequately trained personnel to fill the position, plus maintaining an adequate reserve for replacements, are very important.

In order to provide qualified replacements for both current and future vacancies in the job of General Field Representative, consideration is being given to a training program based mainly on the principle of rotating assignments which will give candidates for this position an opportunity to become thoroughly familiar with all phases of REA's activities. A correspondence course, based on REA's present accounting course, is also under consideration during the current year as a means of improving the abilities of General Field Representatives in the conduct of their responsibilities.

108. Visual Techniques. To increase the effectiveness of REA work with borrowers, plans are being formulated to make greater use of visual presentation methods during the coming year. REA field personnel report that such visual techniques as slides, film strips and flip-over charts have been highly effective when used in presenting ideas to borrower boards and staffs. To date such devices have been used chiefly in connection with the electric farming program. The plan is to extend the use of these and other visual aids to such fields as technical operations and maintenance, management analysis, capital credits, bookkeeper training, and the rural

telephone program. In addition, increased readability for the Agency's technical publications is being sought through improved visual presentations.

109. Management Analysis Handbooks. To provide borrowers with specific and usable ideas on the effective management of their systems, a series of handbooks covering all aspects of the activities of a rural electric business is being developed for the use of borrowers. Among the subject matter planned are:

- Balanced Management and Management Analysis
- How To Think about Policy Formulation
- Legal Relationships
- Organizing to Achieve Objectives
- Construction Programs
- Cooperative Organization and Practices
- Improving Office Management

It is anticipated that these handbooks will give borrowers information needed or helpful in the making of a management analysis of any phase of their activities.

Soil Conservation Service

110. Organization. Significant changes in the Soil Conservation Service organization were made last year after careful study extending over a period of several years. The purpose of the current changes is to increase efficiency and to get ^{more} conservation on the land faster. Increased emphasis has been placed on management responsibilities in making the changes, which include provisions for shortening the span of control, distributing workload more equably, improving coordination, and placing appropriate emphasis on all program activities.

In Washington and Regional offices, grouping of related activities under the leadership of key members of the Staff is designed to give closer supervision and more effective operation. Recognition has been given to management functions by assignment of special responsibilities in this field to Washington and Regional Staff representatives.

In the field organization within the regions the position of District Conservationist has been eliminated and there has been created a new position of Area Conservationist with revised responsibilities emphasizing management responsibilities within the area. By concentrating on such responsibilities it has been possible to enlarge the geographical scope of the job and to increase the number of work units previously supervised by District Conservationists. This action will put more technical men on the land to help farmers and ranchers apply conservation measures. There will be approximately 200 fewer Area Conservationists than the old District Conservationists.

During the past 10 years the Soil Conservation Service has been working continually at the job of reducing overhead costs with the

result that within this period there has been a reduction in cost of almost half. The Service believes that the current organization changes will further reduce these costs and materially increase efficiency.

111. Reporting System. In line with the Service's policy for constantly improving the tools of management, the system for progress reporting was revised. Objectives of the revision were: (1) to bring it in line with developments and trends within the past few years, and (2) to increase its effectiveness as a management tool in obtaining higher work production, and (3) to simplify, if possible, reporting procedures.

112. Inspection. During the past year the Service completed installation of a Service-wide inspection and review system which provides for administrative and technical review of Service operation at all work locations at least once a year. This included Regional offices, State offices, Work Group offices, (now Area Offices), and Work Unit offices as well as other special work points. A great deal of care was taken in establishing a sound basis for the inspections and in reaching complete understanding throughout the Service as to their purpose and the objectives to be attained. As a result of this preparation the inspection process has been well received and much benefit has been derived from it, both in Washington and the field. The Service intends to continue its efforts to refine and improve the process so as to increase its effectiveness in improving Service operations.

113. Training Program. Encouraging advances have been made in the Service's training program during the year. Training committees in Washington and field offices have been strengthened. The Service training policy has been revised to bring it more in line with advances in our program and to make it more directly applicable to the needs of line officers in training for specific operating problems. Revised plans provide greater opportunity for Service training officers to give effective assistance to supervisors in carrying out their basic training responsibilities.

Fiscal 1953

114. Internal Audit. Although the Service uses the inspection process at all organization levels with considerable effectiveness, this process has one disadvantage in that it does not always provide the independent check on certain specific phases of Service work that is essential to management control. It is therefore planned to establish a small internal audit staff which will report to the immediate office of the Chief of Service. It is the intent to select men of broad experience whose responsibility it will be to independently check Service operations and controls on a comprehensive basis.

Provision has been made for this staff in connection with current changes in the Service organization already mentioned. An important task this year will be the staffing of this unit, providing appropriate orientation with respect to Service activities, and developing guiding policy and a plan of operation.

115. Scheduling Technical Activities. In counties where Service representatives have technical responsibility in connection with Secretary's Memorandum 1278, close scheduling of this work is important in order to provide the most efficient service possible in carrying out Service responsibilities. Workingⁱⁿ cooperation with PMA representatives in Washington and the field, an attempt will be made to work out a system for accurately scheduling SCS activities required in connection with practices tentatively approved by PMA committees. PMA field representatives will endeavor to provide SCS field representatives with information regarding those farmers and ranchers definitely planning to install various practices and the time of installation. This information will enable SCS technicians to schedule work more efficiently. The additional time saved by this procedure can be used to advantage in giving assistance to a larger number of farmers and ranchers.

116. Training. Greater emphasis will need to be placed on certain training projects during the current year. Many current training needs are directly related to actions taken by the Service in revising the reporting system and in making reorganization changes in the field. Between now and January 1, 1953, when the new system goes into effect, intensive training will need to be given field personnel responsible for recording and reporting Service accomplishments so as to minimize discrepancies in reports due to lack of understanding of the new system.

The changes in responsibility of the Area Conservationist, as contrasted with the old position of District Conservationist, involve emphasis on managerial responsibilities including such items as, training, supervision, inspection, and the like. It is planned to conduct a training program throughout the year designed to prepare incumbents of this new position to carry out their duties and responsibilities more effectively.

Bureau of Agricultural Economics

117. Research Management Survey. Activity in the Research Management Survey is reflected in the work of several subcommittees. Progress on the broader and more general aspects of the Research Management Survey having been temporarily retarded, it was decided that study of certain special subject-matter areas could be carried forward somewhat apart from the main study as follows:

a. Subcommittee on Relations with Research Advisory Committees

This group developed improved procedures and practices affecting the planning and coordination of those activities connected with

the review and coordination of the research programs of the Bureau as carried on by the Research Advisory Committees. Shortly after their adoption, the new procedures were brought favorably to the attention of other agencies of the Department and have been used as models by several agencies in modifying their own procedures.

b. Subcommittee on Project Materials

The subcommittee on Project Materials studied the need for and uses made of annual reports on research work. One annual report due in December rather than the two formerly prepared fulfills the reporting requirement now. This results in freeing more time for actual planning, coordinating, and conduct of the research program.

This group has also considered current procedures and routing of project statements in the initiation and review of proposed research work. A number of modifications to existing procedures have been recommended which should provide for more thorough review of proposed lines of work, and at the same time, shorten the time required in such review. Formal adoption of these recommendations should take place in the near future.

c. Subcommittee on Contract Procedures

This group studied and reviewed the Bureau's policies and procedures governing the performance of research under contract. Procedures have been process-charted, revised procedures have been developed, and recommendations on both procedures and policies have been forwarded to the Chief of the Bureau for adoption and installation.

118. Program Planning. In preparing economic research program plans for fiscal years 1953 and 1954, it was desired that the most comprehensive job possible be done. Realizing that valid research needs and questions relating to research emphasis which are raised from time to time so easily become misplaced or lost in the complicated budget and program planning job, the Chief of the Bureau asked each field research leader to submit a statement covering (1) major research problems in his area needing attention, and (2) revisions, curtailments, or changes in emphasis in present program he believed desirable. The resulting first-hand field workers' appraisals and ideas proved to be very valuable to the program supervisory staff in formulating program recommendations, and it is expected the practice will be continued as a means of further improving the program planning process.

119. Washington Conference of Production Economics Field Personnel. Held in June 1952, this conference filled a long felt need for the discussion of problems and interchange of ideas between Washington and field staffs on improved techniques and methods for conducting research. Considerable emphasis was given to improving the knowledge of the field staff with respect to Washington program and administrative

operations with the specific objective in mind of making the field worker a more effective representative of the Bureau at the Land-Grant Colleges or other cooperating agencies. Full discussions were also had on management problems affecting the field worker and on the problems inherent in conducting research under cooperative relationships.

120. Uniform Filing System for Field Offices. This system, reported last year, has been completed. Following the successful test installation in the Maryland office, plans for installing the system in other offices are going forward as fast as funds and facilities will permit. To date 3 offices have been completely converted and 10 others are in process. Hoping to reduce the span of time envisaged to obtain full coverage, since a total of 41 State offices will eventually install the system, training workshops are being held at selected field offices and the head clerks from surrounding States are brought in to participate in the installation and obtain the necessary know-how to install the system in their own offices. These workshops cover a two-week period. At a later date on a schedule basis, reviews will be conducted by records management personnel to insure that the system is functioning smoothly where head clerks or other responsible administrative clerks have installed the system.

121. Field Office Management. As a part of the workshop activities described above, certain sessions are set aside for discussions on general management problems in the field offices. The exchange of information on common operating problems such as supervision and control, work planning and scheduling, work distribution, etc., is of great assistance to the participating head clerks. In addition, more effort is being made to get members of the management staff into the field offices to assist in the solution of specific problems and to stimulate attention to general management matters or matters on which previous recommendations have been made.

122. Training of Professional Personnel. A research seminar was instituted in the Division of Statistical and Historical Research which met one hour every other week from November to June. All professional workers in the division were expected to attend. Topics for discussion were chosen from the current work and problems of the division. The seminar proved to be very helpful in training younger personnel and in stimulating the older professional workers.

123. Staff Development Committee. The Staff Development Committee continues to consider the needs of the Bureau and its staff and in the past year has concentrated on one of the more basic problems, namely, that of finding, recruiting, and training new professional employees. As a result a plan was approved for the recruitment on a Bureau basis of 10 junior professional workers from the JAA register each spring who will be oriented

in all the work of the Bureau, will work in several divisions before they are finally assigned permanently at the end of five months.

124. Executive Training Activity. Guided by a comprehensive training schedule, three Bureau employees have been reassigned to different but more responsible administrative work under its executive training plan.

Fiscal 1953

125. Research Management Survey. In the current year further work is scheduled on the Research Management Survey. As noted under Part A, several special subject-matter areas have already been or are in process of being studied. Attention will be given first to another specialized area on which a subcommittee is already at work--namely, Washington-field relationships. Plans for covering the largest phase of the study--that having to do with the initiation, supervision, and control of the research program--are being reviewed and readied. Should full-time management staff assistance be secured and maintained, a steadier rate of progress on this study would be assured. The emphasis currently placed on implementing improvement recommendations in the Crop and Livestock Estimating Service will also directly affect the amount of full-time attention that can be given.

126. Exchange of Personnel. It is planned to study the feasibility of exchanging Bureau personnel with some of the State Colleges and Experiment Stations on a temporary basis. More specifically to be studied are some of the difficulties involved in effecting such an arrangement such as simultaneously disengaging a Bureau worker and a State College worker from their existing work programs, and administrative difficulties including differences in salary levels, benefits, etc.

127. Identification of Major Management Problems Beyond the Authority of the Department or Agency to Solve. One of the most desirable features of management--good management--is simplicity--the ability to carry out assigned functions with dispatch, accuracy, and a minimum expenditure of funds, all in an atmosphere of order. Though desirable as this objective might be, it is not uncommon to find simplicity the exception rather than the rule. In but a few isolated situations can this be attributed to a lack of sincerity on the part of the operating official who is attempting to do the best job possible.

The exceptional growth and development of legislative requirements and administrative machinery, though justified in many respects, presents a tough barrier through which the operating official must struggle in his attempt to simplify and improve. It is not the purpose of this item to describe more fully a situation already widely recognized, but to suggest that the Department sponsor the establishment of an interagency study group to effect needed remedies in this area of government administration. Something in the nature of a "Hoover

Commission" might be considered. An intimate working knowledge of the procedures and problems involved could be had only by including more representatives of operating agencies than did the Hoover Commission groups. Among other things the purpose of this group would be to bring about a better understanding of the necessity for various checks, balances, and controls in governmental operations, and through detailed studies of administrative procedures and requirements bring into proper perspective the fundamentals of public service in terms of performance and accountability, and develop the practicable means by which such can be assured. The study described obviously would not be one of short duration. A land mark in federal administration would be accomplished if this could be done.

Office of Information

128. Specification of Goals. As a step in asserting more firm Department leadership, the Director used staff meetings as a sounding board to promote discussion and thinking of directional goals in the work of the organizational (and media) divisions. Discussions were followed by a request for specifications of short range goals in each division's work and written plans for meeting the specific goals. Examples of these specific divisional goals are: plan new radio handbook for extension agents, increase revisions of mailing lists, plan a program for producing short "how-to-do-it" agricultural films, and accomplish additional revisions of Farmers' Bulletins. Reasonably good progress in achieving the specified goals have been made, although the estimated time schedules were too short in most of the cases.

129. Staff Conferences. Daily 15 minute exchange of information and questions on current problems by the top office staff each morning were instituted. This supplements the regular office weekly staff meetings and the weekly Departmental information meeting on scheduled subjects of more general importance and interest. This method of improving communication has helped to integrate management more closely in the Office.

130. Employee Working Relations. There was instituted in 1952 an increase in the number of contacts by top staff with second line supervisors, and in the number of visits to section locations to show interest of top management in employees and their work. Also two "family" meetings of all employees were held to exchange information on work of different units of the whole office.

131. Review of Work Effectiveness. In this area reviews have been made of several office activities, and more coordination achieved. This has improved the quality of output; some volume increase in output has also been effected. Reviews have been made of:

1. Effectiveness in distribution of new bulletins.

2. Evaluation of illustration and layout in publications to improve readability and produce more economy in printing.
3. Progress in reporting television research.
4. Effectiveness in revising mailing lists.
5. Procedures in handling motion picture reimbursements.

Office of the Solicitor

Fiscal 1953

132. Developing a knowledge and understanding of the legal problems of the Department as a whole, particularly among attorneys in the lower grades. Attorneys in the Office of the Solicitor are necessarily assigned to a particular division. Consequently they do not come into direct contact with all of the legal problems that the Office is required to handle. The supervising attorneys learn of these problems principally at the Solicitor's weekly staff meetings. It is planned to have one attorney from each division, in addition to the division chief, attend the weekly staff meetings for a portion of the year. By a process of rotation it is hoped that each attorney in the Office will have an opportunity to attend at least several staff meetings during the year. It is believed that in this way the attorney's interest in the Department will be enhanced and his training for filling other jobs, if needed, will be improved.

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United States Department of Agriculture

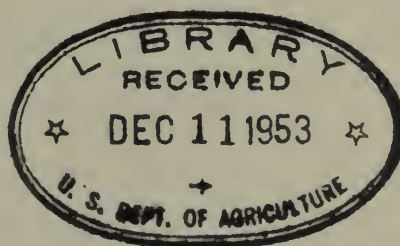
Office of Budget and Finance

Summary of Highlights of Management Improvement Program

August, 1953

Staff assistance and departmental leadership by the Office of Budget and Finance in the fields of accounting, auditing, budgeting, and procurement and property management involved major improvements in the following areas:

- Improved integration of policy considerations of the budgetary process by the Secretary's immediate staff.
- Revision and improvement of the accounting systems in nine agencies.
- Pilot studies to introduce simplified accounting procedures.
- Analytical studies of supply activities in three agencies.
- Appraisal of property management practices at 32 representative field locations.
- Simplification of small purchase procedures through issuance of instructions for utilizing imprest funds.
- Management training for five junior staff members under a formalized training program approved by the Civil Service Commission.



United States Department of Agriculture

Office of Budget and Finance

Annual Report on Management Improvement Program

August, 1953

BUDGET

The administrative grouping of Department agencies effected in January 1953 made it possible for key policy officials on the Secretary's immediate staff to participate more fully and directly in the budgetary process. Following are several examples of changes made to adapt Department procedures to the new organizational arrangement and achieve better management in this particular area of work:

(1) The Secretary designated the group directors and the Department Budget Officer as a committee to conduct the program and budget review in February 1953. On the basis of the committee's recommendations, significant changes were made in the original 1954 budget, many of which were approved in whole or in part by the Congress. A similar committee was established for the development of the 1955 Department estimates, thus facilitating full consideration and application of the Administration's policies throughout the budget planning process.

(2) The group directors were authorized to approve financial project descriptions, which formerly were approved by the Secretary. These financial projects are the first breakdown in the Department's Uniform Project System, the means whereby broad objectives financed by each appropriation item are subdivided into successively narrower "financial", "work", and "line" projects. Each project is documented in summary form and the Office of Budget and Finance maintains a Department-wide file of financial and work project descriptions.

(3) The Director of Finance was authorized to approve discontinuances of financial projects, in the interest of holding to a minimum the items requiring attention of the group heads.

(4) The group directors were authorized to approve Project Obligation Estimates. These estimates, formerly approved by the Secretary, relate a specific sum of money to each project and provide a check to assure that the intent of Congress in using the funds appropriated is effected.

ACCOUNTING AND AUDIT

Accomplishments in 1953

Systems Development. Accounting systems are developed on an individual-agency basis giving consideration to, (1) changes in fiscal procedures developed under the Joint Accounting Improvement Program, and (2) size, extent of field activities, and programs of the agency. The work involves, generally, revision of the general and allotment ledger system of accounts, simplification of procedures, and preparation of operating manuals. During the year efforts of the Office were devoted to the improvement of the accounting systems in nine agencies.

An example of the accomplishments is the revised accounting system installed for a research agency at the beginning of the fiscal year. The revised system provided for (1) decentralizing the general ledger, property, and retirement records to four regional offices to provide more effective control over cash and other assets; (2) improving accounting procedures; (3) eliminating some duplication of records; (4) simplifying reporting requirements; and (5) preparation of a manual for guidance of office personnel.

In another agency, improvements in accounting and budgeting procedures were installed to provide management with more reliable information on the status of appropriations, reduce accounting work, and provide greater control over obligations. Changes effected by the new system include (1) control of funds through one allotment instead of seven, (2) use of a simplified expenditure distribution ledger by appropriations, and (3) use of obligation register for simple and effective control of unobligated balances.

Pilot Studies. The Office has continued to work towards the development of improved and simplified fiscal procedures. Many of these new methods were tested on a pilot basis in one or more agencies to prove their effectiveness and economy before extension on a Department or Government-wide basis. Examples of these studies in which the Office participated during the year are:

(1) Discontinuance of Collections Schedules. A simplified procedure was developed whereby certain agencies subject to comprehensive audit by the General Accounting Office may discontinue schedules of collections. The Comptroller General has approved this procedure and will make it available to other Government agencies.

(2) Improved Deductions Procedure. A simplified scheduling procedure was developed for handling deductions from salary of employees that eliminated the need for preparing a separate scheduling form and used, instead, an extra copy of the combined voucher schedule. The General Accounting Office has prescribed the procedure for Government-wide usage.

(3) Simplification of Contractual Payments. After testing by one agency, a simplified plan for effecting contractual payments was adopted for Department-wide use. This plan eliminates the need for obtaining, reviewing and individually processing large numbers of monthly invoices for services or facilities obtained on a continuing basis.

Decentralization. In furtherance of the program of delegating to the agencies operating functions which could be more effectively and economically performed by them, the Office decentralized the review and handling of certain classes of claims, thereby saving one man-year in the fiscal year 1954.

Internal Audit. This Office continued to advise agencies having internal audit staffs in the development of audit techniques, audit report preparation, and coordination of audit programs with the General Accounting Office comprehensive audits. A special survey of agency internal audit staffs provided information on current auditing procedures, and on programs requiring attention. Specific assistance was given to several agencies who recently established internal audit staffs or were expanding their present audit coverage.

Plans for 1954

Systems Development. The program for the improvement of accounting and auditing systems and processes will be continued. A number of system development projects now in process will be completed and manuals submitted; work on other projects will continue; and several new projects will be started during the ensuing year.

Pilot Studies. Those pilot studies in process will be evaluated for Department or Government-wide adoption. Efforts will be concentrated (1) on developing satisfactory and sound methods for the distribution of administrative expenses in each agency; (2) in installing the policies and procedures for property accounting established by the General Accounting Office; (3) in improving financial reporting to serve better the needs of management; (4) on exploring the problem of small refunds and adjustments where the processing cost exceeds the amount to be collected; and (5) a study of problems incident to the use and payment of transportation requests.

PROCUREMENT AND PROPERTY MANAGEMENT

Accomplishments in 1953

Analysis of Agency Supply Activities. Complete analyses were made of supply functions in three agencies, to assist in developing improved policies and procedures. This involved extensive studies of organization, responsibilities, purchasing, warehousing, and property accountability and utilization.

Field Inspections. In order to determine the adequacy of and recommend improvements in management of supply operations, inspections were made in 1953 of 32 representative agency field locations.

Small Purchase Procedures. Progress made toward the long range objective of simplifying small purchase procedures included assistance to agencies in (1) establishing and expanding the use of cash payment procedures, (2) improvement of planning and scheduling of requirements, and (3) simplifying local purchase procedures made possible by removal of certain mandatory restrictions on purchases under 425.

Stores Management. Guides were provided for agency use in establishing standards for inventory levels and replenishment schedules of small stocks.

Contracting. A Board of Review procedure was established for considering appeals arising under contracts. Additional contracting authorities were provided some of the agencies to enable better coordination of procurement with program requirements. In this connection the Office aided several agencies in developing contract specifications more adequate to their needs, and in improving procedures for the formulation and review of contracts negotiated under the Research and Marketing Act.

Plans for 1954

Many management improvements in this field stem from studies and surveys carried forward to the current year. A number are conducted in collaboration with the General Services Administration. Such projects include:

(1) The study of small purchase procedures will be continued including revision of a 1949 pamphlet titled "Suggestions for Improving Small Purchase Procedures."

(2) Studies will continue of the management and use of the Department's automotive vehicles, in an effort to improve their operating efficiency, utilization, and condition. Particular attention is being given to the replacement of passenger cars in the light of present legislative limitations and replacement standards.

(3) The Office will continue to develop and promote property utilization and replacement standards. Progress has been especially noteworthy in the substitution of excess property in lieu of procurement of new items.

(4) A complete revision initiated in 1953 of the Department regulations relating to personal property accountability and stores management will be completed in 1954 and assistance given agencies in installing new procedures.

(5) Special attention will continue to be given during 1954 to the reduction of types of office equipment and supplies used through the development of purchase standards for common use items.

(6) Field inspections of about 40 locations are planned.

GENERAL ADMINISTRATION

Accomplishments in 1953

Management Trainee Program. Pursuant to a formalized training agreement approved by the Civil Service Commission, five employees of the Office, recruited from the Junior Management Assistant register, participated in a training program of approximately six months duration. Results were regarded as definitely beneficial both to the new employees and the operations of the Office.

Model Organization Charts Devised. To aid in the analysis of organizational changes referred to the Office for review, standardized statements were prepared identifying responsibilities and activities applicable to offices engaged in accounting, internal auditing, budgeting, and procurement and property work. The statements provide guidance to analysts and should help to improve the documentation of functional responsibility as reflected in organization charts prepared by agencies of the Department.

Trend Study of Administrative Expense. Analysis of administrative or overhead expense in the Department during the period 1948-1952 revealed a decline of 9.6% in administrative personnel in contrast to an increase of 4.4% in program operations.

Filing System Survey. For the guidance of staff engaged in records management, a manual was prepared setting forth a uniform system for general use in the Office. Incident to this project the files were surveyed and recommendations made which resulted in extensive disposition of old records and consolidation of files.

Conference Meetings Productive. The Office sponsors three series of monthly conference meetings for agency representatives engaged in budget, fiscal, and procurement work. Total attendance in 1953 numbered 1735, with average attendance as follows: Budget Officers, 79; Fiscal Officers, 98; and Procurement Officers, 68. These meetings provide a forum for discussion of professional matters, equally valuable in the exercise of departmental staff office leadership and improvement of agency practices through exchange of information.

Plans for 1954

Preparation of a staff manual is scheduled, to organize and bring up to date issuances concerning internal policies and procedures of the Office. The index to Title 10 of the USDA Regulations, a reference guide to SF and AD series of common-use numbered forms, will require extensive revision. Further plans are largely contingent upon the assignment of projects for new problems as they emerge.

